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UNITED STATES  
SECURITIES AND EXCHANGE  
Washington, DC



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**ANNUAL AUDITED REPORT  
FORM X-17A-5  
PART III**

SEC FILE NUMBER  
8-53403

FACING PAGE

Information Required of Brokers and Dealers Pursuant to Section 17 of the  
Securities Exchange Act of 1934 and Rule 17a-5 Thereunder

REPORT FOR THE PERIOD BEGINNING 01/01/07 AND ENDING 12/31/07  
MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER: NAVIGANT CAPITAL ADVISORS, LLC

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)

1180 PEACHTREE STREET, NE, SUITE 1900

(No. and Street)

ATLANTA

(City)

GEORGIA

(State)

30309

(Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT

JONATHAN W. BERGER

(404) 602-5050

(Area Code - Telephone Number)

**B. ACCOUNTANT IDENTIFICATION**

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report\*

KPMG LLP

(Name - if individual, state last, first, middle name)

303 EAST WACKER DRIVE, CHICAGO

(Address)

(City)

ILLINOIS

(State)

60601-5212

(Zip Code)

CHECK ONE:

☒ Certified Public Accountant

☐ Public Accountant

☐ Accountant not resident in United States or any of its possessions.

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\*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See Section 240.17a-5(e)(2)

SEC 1410 (06-02)

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## OATH OR AFFIRMATION

I, JONATHAN W. BERGER, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of NAVIGANT CAPITAL ADVISORS, LLC, as of DECEMBER 31, 20 07, are true and correct. I further swear (or affirm) that neither the company nor any partner, proprietor, principal officer or director has any proprietary interest in any account classified solely as that of a customer, except as follows:

[Signature]  
Signature  
MANAGING DIRECTOR  
Title

[Signature]  
Notary Public

This report \*\* contains (check all applicable boxes):

- ☒ (a) Facing Page.
- ☒ (b) Statement of Financial Condition.
- ☒ (c) Statement of Income (Loss).
- ☒ (d) Statement of Changes in Financial Condition.
- ☒ (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietors' Capital.
- ☐ (f) Statement of Changes in Liabilities Subordinated to Claims of Creditors.
- ☒ (g) Computation of Net Capital.
- ☐ (h) Computation for Determination of Reserve Requirements Pursuant to Rule 15c3-3.
- ☐ (i) Information Relating to the Possession or Control Requirements Under Rule 15c3-3.
- ☐ (j) A Reconciliation, including appropriate explanation of the Computation of Net Capital Under Rule 15c3-1 and the Computation for Determination of the Reserve Requirements Under Exhibit A of Rule 15c3-3.
- ☐ (k) A Reconciliation between the audited and unaudited Statements of Financial Condition with respect to methods of consolidation.
- ☐ (l) An Oath or Affirmation.
- ☐ (m) A copy of the SIPC Supplemental Report.
- ☐ (n) A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit.

\*\*For conditions of confidential treatment of certain portions of this filing, see section 240.17a-5(e)(3).



KPMG LLP  
303 East Wacker Drive  
Chicago, IL 60601-5212

## Independent Auditors' Report

To the Managing Member  
Navigant Capital Advisors, LLC:

We have audited the accompanying statements of financial condition of Navigant Capital Advisors, LLC ("the Company") as of December 31, 2007 and 2006, and the related statements of income, changes in member's equity, and cash flows for the years then ended that you are filing pursuant to rule 17a-5 under the Securities Exchange Act of 1934. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Navigant Capital Advisors, LLC as of December 31, 2007 and 2006 and the results of its operations and its cash flows for the years then ended in conformity with U.S. generally accepted accounting principles.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The information contained in Schedule I is presented for purposes of additional analysis and is not a required part of the basic financial statements, but is supplementary information required by rule 17a-5 under the Securities Exchange Act of 1934. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

**KPMG LLP**

Chicago, Illinois  
February 28, 2008

**NAVIGANT CAPITAL ADVISORS, LLC****Statements of Financial Condition**

December 31, 2007 and 2006

<b>Assets</b>	<b>2007</b>	<b>2006</b>
Cash	\$ 1,730,458	\$ 2,575,994
Accounts receivable, net of allowance for doubtful accounts of \$21,662 and \$17,609 as of December 31, 2007 and 2006, respectively	1,037,726	1,627,501
Receivable from parent company	2,469,709	59,858
Intangible assets, net of accumulated amortization of \$30,938 and \$19,688 as of December 31, 2007 and 2006, respectively	14,062	25,312
Total assets	<u>\$ 5,251,955</u>	<u>\$ 4,288,665</u>
<b>Liabilities and Member's Equity</b>		
Accrued liabilities	\$ 77,586	\$ 42,125
Deferred revenue	420,046	800,341
Total liabilities	497,632	842,466
Member's equity	4,754,323	3,446,199
Total liabilities and member's equity	<u>\$ 5,251,955</u>	<u>\$ 4,288,665</u>

See accompanying notes to financial statements.

NAVIGANT CAPITAL ADVISORS, LLC

Statements of Income

Years ended December 31, 2007 and 2006

	<u>2007</u>	<u>2006</u>
Revenues:		
Revenues before reimbursements	\$ 15,378,734	\$ 11,123,021
Reimbursements	<u>716,994</u>	<u>513,755</u>
Total revenues	<u>16,095,728</u>	<u>11,636,776</u>
Costs of services:		
Cost of services before reimbursable expenses	3,860,243	3,885,152
Reimbursable expenses	<u>716,994</u>	<u>513,755</u>
Total costs of services	<u>4,577,237</u>	<u>4,398,907</u>
General and administrative expenses:		
Occupancy expense	408,862	392,652
Bad debt expense	4,053	24,759
Amortization expense	11,250	11,250
Other general and administrative expenses	<u>536,202</u>	<u>306,911</u>
Total general and administrative expenses	<u>960,367</u>	<u>735,572</u>
Net income	\$ <u>10,558,124</u>	\$ <u>6,502,297</u>

See accompanying notes to financial statements.

**NAVIGANT CAPITAL ADVISORS, LLC****Statements of Changes in Member's Equity****Years ended December 31, 2007 and 2006**

	<u>Capital</u>	<u>Accumulated earnings</u>	<u>Distributed to member</u>	<u>Total</u>
Balance at December 31, 2005	\$ 55,000	\$ 7,988,902	\$ (3,200,000)	\$ 4,843,902
Net income	—	6,502,297	—	6,502,297
Distributions to member	<u>—</u>	<u>—</u>	<u>(7,900,000)</u>	<u>(7,900,000)</u>
Balance at December 31, 2006	55,000	14,491,199	(11,100,000)	3,446,199
Net income	—	10,558,124	—	10,558,124
Distributions to member	<u>—</u>	<u>—</u>	<u>(9,250,000)</u>	<u>(9,250,000)</u>
Balance at December 31, 2007	\$ <u>55,000</u>	\$ <u>25,049,323</u>	\$ <u>(20,350,000)</u>	\$ <u>4,754,323</u>

See accompanying notes to financial statements.

# NAVIGANT CAPITAL ADVISORS, LLC

## Statements of Cash Flows

Years ended December 31, 2007 and 2006

	<u>2007</u>	<u>2006</u>
Cash flows from operating activities:		
Net income	\$ 10,558,124	\$ 6,502,297
Adjustments to reconcile net income to net cash provided by operating activities:		
Amortization expense	11,250	11,250
Provision for bad debts	4,053	24,759
Changes in assets and liabilities:		
Accounts receivable	585,722	273,526
Prepaid expense	—	7,522
Due to/from parent company	(2,409,851)	1,065,593
Unearned revenue	(380,295)	247,885
Accrued liabilities	35,461	(42,825)
Net cash provided by operating activities	8,404,464	8,090,007
Cash flows from financing activities:		
Distributions to member	(9,250,000)	(7,900,000)
Net cash used in financing activities	(9,250,000)	(7,900,000)
Net increase (decrease) in cash	(845,536)	190,007
Cash at beginning of the year	2,575,994	2,385,987
Cash at end of the year	\$ <u>1,730,458</u>	\$ <u>2,575,994</u>

See accompanying notes to financial statements.

**Navigant Capital Advisors, LLC**  
**Notes to Financial Statements**  
**December 31, 2007 and 2006**

**(1) Organization**

Navigant Capital Advisors, LLC ("the Company"), also doing business as Sextant Corporate Finance, is a wholly owned subsidiary of Navigant Consulting, Inc. ("NCI"). The Company was organized as a limited liability company. The Company changed its name from Navigant Consulting Capital, LLC to Navigant Capital Advisors, LLC on March 29, 2005. The Company is a member of the Financial Industry Regulatory Authority (FINRA). The Company provides financial advisory services for private placements, and mergers and acquisitions.

"Navigant" is a service mark of Navigant International, Inc. NCI is not affiliated, associated, or in any way connected with Navigant International, Inc. and NCI's use of "Navigant" is made under license from Navigant International, Inc.

**(2) Summary of Significant Accounting Policies**

**(a) Preparation of Financial Statements**

The Company's financial statements were prepared in accordance with the accounting principles generally accepted in the United States of America.

**(b) Basis of Accounting**

Revenues and expenses are recorded on the accrual basis of accounting.

**(c) Revenue Recognition**

The Company recognizes revenues as the related professional services are provided. In connection with recording revenues, estimates and assumptions are required in determining the expected conversion of the revenues to cash. The Company may provide multiple services under the terms of an arrangement. There are also client engagements where the Company is paid a fixed amount for its services. The recording of these fixed revenue amounts requires the Company to make an estimate of the total amount of work to be performed and revenues are then recognized as efforts are expended based on (i) objectively determinable output measures, (ii) input measures if output measures are not reliable, or (iii) the straight-line method over the term of the arrangement. From time to time, the Company also earns incremental revenues. These incremental revenue amounts are generally contingent on a specific event, and the incremental revenues are recognized when the contingencies are resolved.

Total revenues include reimbursable costs which are billed to customers. These reimbursable costs are recorded as a component of cost of services.

**(d) Income Taxes**

The Company is a single member limited liability company under the Internal Revenue Code and is thus considered to be a disregarded entity for tax purposes. Therefore, the net income or loss of the Company is included in the income tax return of the Company's member.

**(e) Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management of the Company to make



**Navigant Capital Advisors, LLC**  
Notes to Financial Statements  
December 31, 2007 and 2006

estimates and assumptions that affect the amounts reported in the financial statements, related notes, and net capital and asset position. Actual results could differ from those estimates.

**(3) Related-party Transactions**

The Company has a service agreement (the "Agreement") with NCI. Under the terms of the Agreement, NCI agrees to provide the Company consulting personnel; office space; office-related equipment; administrative support such as technical, accounting, and bookkeeping; and such other services as the parties may agree to from time to time, provided that the Company shall have supervisory authority for persons registered with the FINRA as representatives and principals of the Company to the extent required under FINRA rules. NCI invoices the Company on a periodic basis, generally monthly, for consulting services provided and reimbursable costs. Consulting services are billed at cost plus a percentage mark up for fringe, facilities, and operating expenses based upon the terms of the Agreement. At December 31, 2007 and December 31, 2006, NCI owed the Company \$2,469,709 and \$59,858, which are recorded as a receivable from the parent company in the accompanying statements of financial condition. The receivable from the parent company is primarily related to project revenues received by the parent company from the Company's clients.

**(4) Intangible Assets**

Intangible assets related to trade name rights of "Navigant" and consisted of \$14,062 and \$25,312 net of accumulated amortization at December 31, 2007 and 2006, respectively. The Company amortized the trade name on a straight-line basis with an estimated useful life of four years. As of December 31, 2007, the remaining life of the intangible assets was 15 months.

**(5) Net Capital Requirements under SEC Rule 15c3-1**

As a broker/dealer, the Company is subject to the Securities and Exchange Commission's Uniform Net Capital Rule ("Rule 15c3-1"), which requires the maintenance of minimum net capital. Rule 15c3-1 requires that the Company maintain minimum net capital, as defined, of \$33,175 at December 31, 2007, and the ratio of "aggregate indebtedness" to "net capital," as those terms are defined by the rule, may not exceed 15 to 1. At December 31, 2007, the Company's net capital was \$1,232,826, which was \$1,199,651 in excess of its required net capital and its ratio of aggregate indebtedness to net capital was .40 to 1.

**(6) Reserve Requirement under SEC Rule 15c3-3**

SEC Rule 15c3-3, *Customer Protection – Reserves and Custody of Securities* ("Rule 15c3-3"), requires, among other things, every broker or dealer to perform a periodic computation of their Reserve Requirement unless such broker or dealer is exempted under the provisions of Rule 15c3-3. The Company does not carry securities accounts for customers or perform custodial functions relating to customer securities. Accordingly, pursuant to Rule 15c3-3(k)(2)(i), the Company is exempted from such reserve requirement computation.

## NAVIGANT CAPITAL ADVISORS, LLC

Computation of Net Capital Under Rule 15c3-1  
of the Securities and Exchange Commission

December 31, 2007

## Computation of net capital:

Total member's equity	\$	4,754,323
Deduct:		
Nonallowable assets:		
Accounts receivable, net		1,037,726
Receivable from parent company		2,469,709
Intangible assets, net		14,062
Total nonallowable assets		<u>3,521,497</u>
Net capital		1,232,826
Minimum net capital requirement		<u>33,175</u>
Net capital in excess of requirement	\$	<u>1,199,651</u>
Aggregate indebtedness (1)	\$	497,631
Ratio of aggregate indebtedness to net capital		40%

The above computation does not differ from the computation of net capital under Rule 15c3-1 as of December 31, 2007 filed by Navigant Capital Advisors, LLC in its Form X-17A-5 with FINRA on January 25, 2008.

The Registrant is not required to compute the Reserve Requirements under Exhibit A of Rule 15c3-3(k)(2)(i) or to include Information Relating to the Possession or Control Requirements under Rule 15c3-3 because the Registrant does not carry securities accounts for customers or perform custodial functions relating to customer securities.

(1) Aggregate indebtedness consists of accrued liabilities and unearned revenue.

See accompanying independent auditors' report.



KPMG LLP  
303 East Wacker Drive  
Chicago, IL 60601-5212

**Independent Auditors' Report on Internal Control  
Required by SEC Rule 17a-5 for a Broker-Dealer  
Claiming an Exemption From SEC Rule 15c3-3**

To the Managing Member of  
Navigant Capital Advisors, LLC:

In planning and performing our audit of the financial statements of Navigant Capital Advisors, LLC (the "Company") as of and for the year ended December 31, 2007 in accordance with auditing standards generally accepted in the United States of America, we considered the Company's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we do not express an opinion on the effectiveness of the Company's internal control.

Also, as required by rule 17a-5(g)(1) of the Securities and Exchange Commission (SEC), we have made a study of the practices and procedures followed by the Company including consideration of control activities for safeguarding securities. This study includes tests of such practices and procedures that we considered relevant to the objectives stated in rule 17a-5(g) in making the periodic computations of aggregate indebtedness (or aggregate debits) and net capital under rule 17a-3(a)(11) and for determining compliance with the exemptive provisions of rule 15c3-3. Because the Company does not carry securities accounts for customers or perform custodial functions relating to customer securities, we did not review the practices and procedures followed by the Company in any of the following:

1. Making quarterly securities examinations, counts, verifications, and comparisons and recordation of differences required by rule 17a-13.
2. Complying with the requirements for prompt payment for securities under Section 8 of Federal Reserve Regulation T of the Board of Governors of the Federal Reserve System.

The management of the Company is responsible for establishing and maintaining internal control and the practices and procedures referred to in the preceding paragraph. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of controls, and of the practices and procedures referred to in the preceding paragraph, and to assess whether those practices and procedures can be expected to achieve the SEC's above-mentioned objectives. Two of the objectives of internal control and the practices and procedures are to provide management with reasonable but not absolute assurance that assets for which the Company has responsibility are safeguarded against loss from unauthorized use or disposition and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in conformity with U.S. generally accepted accounting principles. Rule 17a-5(g) lists additional objectives of the practices and procedures listed in the preceding paragraph.

Because of inherent limitations in internal control and the practices and procedures referred to above, error or fraud may occur and not be detected. Also, projection of any evaluation of them to future periods is



subject to the risk that they may become inadequate because of changes in conditions or that the effectiveness of their design and operation may deteriorate.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of internal control was for the limited purpose described in the first and second paragraphs and would not necessarily identify all deficiencies in internal control that might be material weaknesses. We did not identify any deficiencies in internal control and control activities for safeguarding securities that we consider to be material weaknesses, as defined above.

We understand that practices and procedures that accomplish the objectives referred to in the second paragraph of this report are considered by the SEC to be adequate for its purposes in accordance with the Securities Exchange Act of 1934 and related regulations, and that practices and procedures that do not accomplish such objectives in all material respects indicate a material inadequacy for such purposes. Based on this understanding and on our study, we believe that the Company's practices and procedures, as described in the second paragraph of this report, were adequate at December 31, 2007 to meet the SEC's objectives.

This report is intended solely for the information and use of the managing member, management, the SEC, Financial Industry Regulatory Authority, and other regulatory agencies that rely on rule 17a-5(g) under the Securities Exchange Act of 1934 in their regulation of registered brokers and dealers, and is not intended to be and should not be used by anyone other than these specified parties.

KPMG LLP

Chicago, Illinois  
February 28, 2008

END